

Message Text

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PAGE 01 STATE 238514
ORIGIN EB-08

INFO OCT-01 ARA-10 EUR-12 IO-13 ISO-00 COME-00 TRSE-00
AGRE-00 L-03 CIAE-00 INR-07 NSAE-00 SS-15 SP-02
NSC-05 STR-05 /081 R

DRAFTED BY EB/ICD/TRP:PPPILKAUSKAS:BLO
APPROVED BY EB/ICD/TRP:PPPILKAUSKAS
EB:JLKATZ (INFO)
ARA/CCA:CGLEYSTEEN (INFO)

-----040910 041755Z /43

P R 041706Z OCT 77
FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY
INFO USINT HAVANA
AMEMBASSY LONDON

LIMITED OFFICIAL USE STATE 238514

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: MEETING BETWEEN ASSISTANT SECRETARY JULIUS L.
KATZ AND MINISTER OF FOREIGN COMMERCE (CUBA) MARCELLO

GENEVA FOR O'DONNELL - LONDON FOR THIGPEN

MEMCON

TIME AND PLACE: MONDAY, OCTOBER 3, 1977, MR. KATZ'S OFFICE

PARTICIPANTS: J.L.KATZ, ASSISTANT SECRETARY FOR ECONOMIC
AND BUSINESS AFFAIRS; MARCELLO FERNANDEZ FONT, MINISTER OF
FOREIGN COMMERCE-CUBA; ALBERTO BETANCOURT ROA; PAUL P.
PILKAUSKAS, EB/ICD/TRP; C. GLEYSTEEN, ARA/CCA.

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1. MINISTER FERNANDEZ CALLED ON ASSISTANT SECRETARY KATZ
ON OCTOBER 3, 1977. CONVERSATION OPENED WITH BOTH AGREEING
THAT THE INTERNATIONAL SUGAR AGREEMENT (ISA) NEGOTIATIONS
WERE HEADING TO A SUCCESSFUL CONCLUSION. MR. KATZ POINTED
OUT THAT A LOT OF PROGRESS HAS BEEN MADE, BUT THAT THERE
ARE SOME DIFFICULTIES ON THE PART OF SMALL EXPORTERS SUCH

AS THE DOMINICAN REPUBLIC AND PANAMA. A MAJOR PROBLEM, HOWEVER, WAS POSED BY AUSTRALIA WHICH OPPOSES TAKING A FURTHER QUOTA CUT UNLESS IT CAN REALISTICALLY EXPECT THE ISA TO BE EFFECTIVE IN RAISING PRICES TO THE MINIMUM. BOTH GENTLEMEN DISCUSSED A FURTHER 2.5 PERCENT QUOTA CUT, EXPRESSING THE HOPE THAT IT WOULD ACHIEVE THE PRICE OBJECTIVE.

2. MR. KATZ POINTED OUT THAT THE LATEST EC PROPOSAL IS NOT ACCEPTABLE. HE SUGGESTED A PROVISION IN THE ISA WHICH WOULD PERMIT THE EC TO ACCEDE AT A LATER DATE. FERNANDEZ AGREED.

3. MR. KATZ POINTED OUT THAT IT WAS A SHAME IT HAD TAKEN THIS LONG TO GET THIS FAR AT THE NEGOTIATIONS. HE NOTED THE SOONER THAT WE PUT AN AGREEMENT TOGETHER THE BETTER FOR EVERYONE.

4. MR. KATZ THEN TURNED TO THE TRADE POTENTIAL BETWEEN CUBA AND THE UNITED STATES, ASKING MR. FERNANDEZ WHAT HIS THOUGHTS WERE ON THE SUBJECT. MR. FERNANDEZ NOTED FOOD STUFFS, ANIMAL FEED, CHEMICALS, FERTILIZER, AND INDUSTRIAL GOODS AS MAJOR ITEMS ON THE CUBAN IMPORT LIST WHICH THE U.S. MAY SUPPLY. HE SUGGESTED DOLS 300 MILLION IN THE FIRST AND SECOND YEARS OF U.S. TRADE WITH CUBA, WHICH WOULD CONSTITUTE 30 PERCENT OF CUBA'S IMPORTS FROM NON-LIMITED OFFICIAL USE

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SOCIALIST COUNTRIES. DEPENDING ON CUBA'S EXPORT RECEIPTS, THE MINISTER NOTED THIS MIGHT RISE TO OVER DOLS ONE BILLION OVER THE THIRD AND FOURTH YEAR. HE SAID CUBA WOULD DO BUSINESS ON A COMMERCIAL BASIS, BUT MUST TAKE ACCOUNT OF ESTABLISHED TRADE PATTERNS WITH OTHER CAPITALIST COUNTRIES.

5. ASIDE FROM SUGAR THE MINISTER SEES POTENTIAL IN MOLASSES, NICKLE, TOBACCO IN VARIOUS FORMS, COPPER, CHROME, RUM AND SHELLFISH. WHEN CITRUS EXPORTS WERE DISCUSSED, MR. KATZ SUGGESTED THE POSSIBILITY OF JOINT MARKETING SCHEMES IN EASTERN EUROPE BETWEEN U.S. AND CUBAN GROWERS.

6. IN RESPONSE TO FERNANDEZ'S QUESTION AS TO HOW FAST THE U.S. COULD IMPLEMENT AN ISA, MR. KATZ RESPONDED THAT WE WOULD LIKE TO DO SO AS QUICKLY AS POSSIBLE. WE WOULD SIGN THE AGREEMENT, THEN SEEK RATIFICATION IN THE SENATE IN JANUARY 1978. IN THE MEANTIME, WE CAN ACCEPT THE AGREEMENT PROVISIONALLY SUBJECT TO RATIFICATION. MR. KATZ SAID HE DOES NOT SEE ANY PROBLEM IN RATIFICATION IN FEBRUARY OR MARCH. THE U.S. WILL THEN SEEK LEGISLATION TO

LIMIT NON-MEMBER TRADE AND COLLECT APPROPRIATE CERTIFICATES, AIMING FOR JULY 1, 1978 IMPLEMENTATION OF THOSE ELEMENTS.

7. MR. KATZ SAID THE KEY QUESTION IS WHETHER SHORTFALLS IN THE AGREEMENT WILL BE SUFFICIENT TO TAKE UP THE SLACK OF AN OTHERWISE EXCESSIVE QUOTA. HE SAID THAT IF WE COULD HOLD EXPORTS TO 12.7 MILLION TONS WE COULD LIVE WITH THAT AND MAKE IT WORK.

8. MR. FERNANDEZ SAID THAT HE WOULD BE CONTACTING MR. CABRISAS IN GENEVA THIS EVENING TO GET THE LATEST STATE OF PLAY. CHRISTOPHER

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INFO OCT-01 EA-10 ISO-00 /019 R

66011
DRAFTED BY EB:DJONES:BMH
APPROVED BY EB:DJONES
-----104134 070418Z /13
R 060230Z OCT 77
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

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FOR ASSISTANT SECRETARY KATZ

FOLLOWING REPEAT STATE 238514 ACTION GENEVA HAVANA LONDON 04 OCT 77

QUOTE

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E.O. 11652: N/A

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN MINISTERS MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: PPPILKAUSKAS:BLO
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770361-1184
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19771095/aaaadcvtz.tel
Line Count: 267
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:02 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:01 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
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Message ID: eaff6e37-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Action: RELEASED, APPROVED
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Review Event:
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1038656
Secure: OPEN
Status: NATIVE
Subject: MEETING BETWEEN ASSISTANT SECRETARY JULIUS L. KATZ AND MINISTER OF FOREIGN COMMERCE (CUBA) MARCELLO GENEVA FOR O'DONNELL - LONDON FOR THIGPEN
TAGS: ETRD, EAGR, US, CU, (KATZ, JULIUS L), (FONT, MARCELLO FERNANDEZ)
To: GENEVA
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/eaff6e37-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
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EO Systematic Review
22 May 2009
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